

# EARMARKS AND NO-BID CONTRACTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. FLAKE) is recognized for 5 minutes.

Mr. FLAKE. Madam Speaker, when most people think about earmarks, they think of the silly earmarks that we hear about like the one in the omnibus spending bill that will pass the Senate today, \$1.7 million to combat swine odor in Iowa. And there are a lot of earmarks like that. Or one for the Rock and Roll Hall of Fame, or one for a hippie memorial. That is typically what is on people's minds when they think of earmarks. But today there is a different type of earmark, and it is not your grandfather's earmark. It is something that has really come about in the last several years or really been perfected in the last several years. These earmarks are no-bid contracts to private companies.

Now, when the Federal Government spends money, there are stipulations in how they spend that money. It is very difficult for a Federal agency to award a no-bid contract. If they do, they have to jump through a lot of hoops. There has to be a national security exemption. There have to be other exemptions. It is difficult to do, and gratefully so.

President Obama announced the other day that he is going to try to make sure that there are no more no-bid contracts from Federal agencies. And that is a great move. But what hasn't been talked about are the no-bid earmarks, no-bid contracts that are in the form of earmarks that come from Congress that is congressionally directed no-bid contracts. And what it leads to is what I like to call circular fundraising, and this is what has been the subject of a few of the privileged resolutions that have been offered here in the House in the last couple of days.

What happens is you have money here that Congress has from the U.S. taxpayer. Earmark spending which will be some \$8 billion to \$10 billion this year, goes this way. It goes to the earmark recipient. Say it is a defense contractor. And in this case if a defense contractor is getting a no-bid contract to make some widget for the Navy or for the Army or something else, or to make a shirt or a pair of gloves for our Armed Forces, they will get that contract, a no-bid contract, and then what you will see is money will come right back to the Member of Congress who secured that earmark in the form of a campaign contribution. That is represented by the line that goes around there. And in some cases, in most cases now, those who secure the earmark for a no-bid contract receive campaign contributions from those who they got no-bid contract for.

Oftentimes the earmark recipient will hire a lobbying firm, and that lobbying firm will also make contributions to the Member. And then sometimes the lobbying firm will also have

a PAC, and that PAC will make contributions to the Member. So, in some cases, a Member of Congress will get what could be called the trifecta: They will get regular contributions from the earmark recipient, money from the lobbying firm, and also money from the lobbying firm's PAC.

For one defense contract, say, for a few million dollars, a no-bid contract, sometimes the Member of Congress can receive as much as \$50,000 to \$100,000 for one earmark, for what appears to be for one earmark. By the time the earmark recipient and the lobbying firm and the lobbying firm's PAC contribute to the Member, that is a lot of money that makes it back into the Member of Congress' hands. So what happens? It is easier then to earmark more spending the next year and to do more no-bid contracts.

This is the essence of the privileged resolution that was offered. There is a lobbying firm called PMA that has been raided by the FBI in recent weeks, or we learned of it in recent weeks. That lobbying firm contributed millions and millions of dollars to Members of Congress who had secured earmarks for the client of this lobbying firm. The lobbying firm's PAC had contributed millions and millions of dollars as well to those Members of Congress who secured earmark spending.

Madam Speaker, it simply isn't right for Members of Congress to get a no-bid contract for anyone, let alone those who turn around and contribute money back to that Member. It simply doesn't look right. There may not be a quid pro quo here, but it should not be allowed by the House to happen. The House should set a higher standard. We are charged with upholding the dignity and decorum of the House. And when you have circular fundraising like this happening and investigations swirling around, we simply can't allow this to continue, Madam Speaker.

I hope that the next time a privileged resolution is up that we will all vote to carry it to the Ethics Committee.

## COMMEMORATING THE TENTH ANNIVERSARY OF HUNGARY'S ACCESSION TO NATO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Madam Speaker, today I rise to commemorate the 10th anniversary of Hungary's accession to NATO. Hungary is the first former Soviet nation, followed soon thereafter by Poland and then the Czech Republic, to join NATO. I stand here today to express gratitude for that historical moment and being given the opportunity to witness it and to recognize Hungary's pioneering commitment to solidarity, freedom, and security.

Despite years of Soviet rule, Hungary maintained a posture that looked both east and west. She became one of the first countries to institute meaningful

political and economic reform after the fall of the Berlin Wall. And during the Cold War, Hungary struggled mightily not to let the door to her people close completely.

The country's exceptional acumen also boasts an impressive mathematical and scientific legacy that includes 13 Nobel Prizes, inventing the BASIC programming language, and even creating Rubik's cube. This is a nation of major measure.

When Hungary joined NATO on March 12, 1999, an enduring relationship was cemented between Hungary, Europe, and the United States. This partnership means more than a military alliance. It marked a rebirth of freedom with an end to oppression by the then Soviet Union. This historic achievement was celebrated from Budapest to Ohio, which boasts the largest Hungarian American population in our country according to the last census. This new era was marked importantly by our congressional district of Toledo that adopted two cities in Hungary, Szeged and its county, Csongrad County.

Hundreds of citizens since 1999 have been involved in cultural, educational, and political exchanges of extraordinary impact. And through the lifelong efforts of major leaders in our community, including now deceased Monsignor Martin Hernady, Ohio Representative Peter Ujvagi, the Hungarian Club of Toledo and its leader Mr. Andy Raikay, Holy Rosary, Calvin United and St. Stephen's Churches, Dr. Elizabeth Balint and Mr. Al Baldwin of the Great Lakes Consortium for International Training and Development, along with the University of Toledo, Bowling Green State University and Lords College, all are working together to build freedom forward.

Because of the new opportunities presented by NATO, the United States and Hungary were able to enrich our friendship. Our Ohio National Guard began an early partnership with the Republic of Hungary for the express purpose of demonstrating through the example of the citizen soldier the proper role of the military in a democratic society. Hungary's rich history, as well as its embrace of a new post-Soviet era governance, sets a strong example for other countries in the region that are still grappling with a meaningful identity as newly independent states. By working with our allies, America continues to nurture democracy and advance political freedoms in Eastern Europe and around the world.

An independent film that I was able to view last year, called Torn From the Flag, which has won all kinds of international awards, traces the history of Hungary from World War II through its current independence. I commend this film to all of our citizenry.

Tonight, I rise to pay tribute to Hungary, our great sister nation in liberty's cause. What a great joy it has been to get to know her people and her traditions in greater measure. And I

thank the people of my community who truly have been, each and every one of them, ambassadors of freedom from the United States to our great sister state of Hungary.

#### AUTO INDUSTRY FACTS AND FIGURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. RYAN) is recognized for 5 minutes.

Mr. RYAN of Ohio. Madam Speaker, I appreciate the opportunity to rise today.

Madam Speaker, over the course of the last 30 years, pockets of our country have been facing some very difficult times. And I have the honor of representing an area in Northeast Ohio, from Akron over to Youngstown. This is an area that was built on steel and rubber and auto and manufacturing. And I want to make one comment, as I rise to talk a little bit about the auto industry, about my friend, the gentleman from Arizona, who was commenting about earmarks and investments that Members of Congress are constitutionally required to make and spend money on behalf of the people of this country.

In areas like mine who, for 30 or 40 years, were booming, had the highest per capita income in the country when the steel mills were going, we were taking our tax dollars and we were sending that money to Washington, D.C.; Washington, D.C. was sending that money to help build the West, to help build up States like Arizona, and to implement water projects and dam projects to take the Colorado River into the desert.

These congressional districts in Arizona and New Mexico, they didn't just pop up. There was a significant Federal investment to say that we want to develop the West. And now, Members of Congress who are looking for the opportunity to rebuild their community, to take specific projects and specific money and invest it in Youngstown State University, Akron University for Polymers, Youngstown State for Defense Center of Excellence, Youngstown State for Metrology and Materials Science Development, these are investments that we need to make to rehabilitate some old industrial areas to get them on the cutting edge, and I think our obligation is to do that. But in our area, what has transpired just over the last few months has been significant. And I will give you one example.

Earlier last year, in the summertime, General Motors at a local Lordstown plant said that they were going to put on a third shift. We had the governor in; there were state tax incentives, \$350 million. And eventually, because of the credit crisis and globalization and 30 years of bad trade agreements, the third shift was pulled. Then the second shift was pulled. And now we have a fraction of the workers that we used to have there.

But the minute GM announced that they were going to lay off 900 workers, a couple days later the seat manufacturer laid off a few hundred; a couple days later the logistics company laid off a couple hundred workers; Delphi laid off. And on and on and on the ripple effect goes throughout the community, to the point where Trumbull County's unemployment rate last year, Madam Speaker, was 7 percent.

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It is to the point where Trumbull County's unemployment rate last year, Madam Speaker, was 7 percent. Today it is 14 percent. It doubled in a year.

And the point of my rising here today is to say to anyone who will listen and to the powers that be in Washington, D.C., that we need a manufacturing policy in the United States of America. We can look at the Dutch, the Spanish and the Brits. When 20 to 25 percent of their gross domestic product became finance, where people are just shuffling money around, where it is a Ponzi scheme and Wall Street is making a lot of money, and wages don't ever go up, then eventually you get to where we are today. And that is a collapse of the financial system.

We have a system now that is set up, Madam Speaker, that if an average family makes some mistakes, they are on their own. We cut them loose. But if the financial markets make a major mistake and do illegal and unethical acts, that they have the system so rigged that the whole thing collapses. And so everyone has to jump in to save it.

And so as we move over the course of the next few weeks and next few months, we need to recognize that the auto industry has a multiplier effect of five jobs for every one job in the plant, and finance has two jobs for every job in the finance industry. And we can talk about companies like Wheatland Tube, who have closed factories down in northeast Ohio and western Pennsylvania because of the tubing coming in from China. We could talk about auto. We could talk about Severstal Steel, who laid off 1,000 people. We could go on and on and on, Madam Speaker.

So let me suggest that as we talk about financial reform and universal health care, that we also add a manufacturing policy to the United States plan for the future.

#### IN RECOGNITION OF COAST GUARD PETTY OFFICER FIRST CLASS LAVELAS LUCKEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. CUMMINGS) is recognized for 5 minutes.

Mr. CUMMINGS. First of all, Madam Speaker, I would like to associate myself with the words of Mr. RYAN of Ohio. He is absolutely right. And we can do better in this country with regard to the issues of making sure that we have a manufacturing base. Not

only must we have a manufacturing base, but we must have an innovation base. And in order to have that, certainly we have to build up our educational systems throughout these United States.

Madam Speaker, I come before the House today as chairman of the Subcommittee on Coast Guard and Maritime Transportation to pay a special tribute to a true American hero, Coast Guard Petty Officer First Class Lavelas Luckey. Last week, a 33-year-old woman tragically lost her life when her car was struck from behind and pushed into the path of a garbage truck as she was preparing to drop her daughter off at a nursery school in Glen Burnie, Maryland.

Petty Officer Lavelas Luckey, an electrical equipment specialist at the nearby Engineering Logistics Center's Equipment Management Division at the Coast Guard Yard in Curtis Bay, Maryland, happened to be in the area at the time. And he immediately sprung into action. According to authorities, after realizing people were still in the badly damaged vehicle, Petty Officer Luckey immediately pushed through a crowd of onlookers and pulled the 5-year-old girl from her car seat minutes before the car burst into flames. The little girl's mother was freed from the car by a police officer.

Unfortunately, the girl's mother, Christine Schoppert, was pronounced dead at the scene. Thankfully, however, the child survived the crash and was immediately taken to the Johns Hopkins Hospital with life-threatening injuries. Recent reports indicate that she is improving. My prayers, and I know the prayers of this Congress, are with the family of Christine Schoppert and her daughter as she begins to make what we hope will be a speedy and complete recovery.

I'm extremely grateful that I have a chance to thank Petty Officer First Class Lavelas Luckey for putting his own safety at great risk in saving this precious young life. After speaking to his commanding officers and fellow members of the Coast Guard, none of them were surprised by Petty Officer Luckey's actions. Petty Officer Luckey has been described as being an extremely dedicated member of the United States Coast Guard—and as a great human being. These are powerful words that should not be taken lightly. Far too often we look to the red carpets of Hollywood and our local football stadiums to find our heroes while overlooking the individuals who perform truly heroic actions in our own neighborhoods.

I take my hat off to Petty Officer First Class Lavelas Luckey for his act of bravery and applaud the entire United States Coast Guard and the rest of our armed services for their efforts to protect this country from all harm. I also extend a special salute to all of the Nation's first responders who risk their lives every day to save others.